



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
Sky News AM Agenda with Kieran Gilbert
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E&OE

Subjects: Egypt, Flood levy, Lampe, Prisoner exchange

KIERAN GILBERT:

Good morning and welcome to *AM Agenda*. A crisis meeting will be held later this morning to finalise the details of a chartered Qantas flight arranged to evacuate Australians from Egypt. It was announced yesterday by Prime Minister Julia Gillard.

JULIA GILLARD:

I have determined that we will make available an evacuation flight for Australians from Egypt. The flight will be a Qantas plane that the Government has chartered. The evacuation flight will be available to take people from Egypt on Wednesday.

GILBERT:

Joining me this morning on the program I have shadow Attorney-General, Senator George Brandis and the Trade Minister, Craig Emerson. Gentlemen, good morning to you and great to see you early in 2011, our first program together.

CRAIG EMERSON: The year of the rabbit.

GEORGE BRANDIS: Good morning, Kieran. Good morning, Craig.

EMERSON: Good morning, George.

GILBERT: Well, we've got this crisis in Egypt to start with. Let's talk to the Trade Minister about the Government advice on this. Yesterday the Prime Minister gave a number of numbers. I think we've got them - we can put them on the screen there? - but Craig, some problems with the Cairo embassy.

Apparently the switchboard crashed so the advice now is just to phone the Canberra number.

EMERSON: I think that's probably right. There are telecommunications problems right through Cairo as you can imagine, so it's not just a product of people ringing the switchboard. It's a broader problem of maintaining telecommunications within Cairo.

So there is a number and we would appreciate you putting that up on the board. The flight will be departing tomorrow. It's a Qantas flight, I think as you mentioned. It will go to another location around - in Europe and I understand that at least 200 people are booked on that but it is a big flight.

It's a 747 so the other point is that the airport is open. It's obviously very crowded there but people can get through and a lot of the Australians who are leaving are actually making their own arrangements.

GILBERT: So will the Government arrange another flight if it's necessary?

EMERSON: Well we'll do what's necessary to ensure the safety of Australian citizens. That's what governments of both political persuasions do - Australian governments - but at this stage we're organising that flight and as I say a lot of the Australians who are leaving are making their own private arrangements.

GILBERT: Senator Brandis, no doubt the Coalition supports this measure?

BRANDIS: Yes.

GILBERT: There was a similar move from the coalition government in 2006 during the Hezbollah-Israel war. It was a bit of a scramble then, given the different circumstances, but I suppose similar sort of evacuation needed?

BRANDIS: Indeed. There are no politics in this of course. When these urgent situations occur and the wellbeing of Australian citizens in foreign countries is the only issue the Opposition offers bipartisan support to the Government's initiative.

GILBERT: We saw a similar push in Tunisia. Obviously, it seems like it was the inspiration for what's happening in Egypt now, Senator Brandis. What do you think of the overall complexity of this in international relation terms?

This has been a western-backed, US backed Government...

BRANDIS: That's right.

GILBERT: ...for many, many years. A dictator backed by the US - now they're saying, 'well there should be a transition or a change of sorts'?

BRANDIS: Well I think the important point to appreciate is that Egypt has been one of the most stable countries in the Middle East, in terms of the international politics of that region, for decades and Mr Mubarak has been the president of Egypt since the assassination of Anwar Sadat in 1981. It was the first Arab nation to make peace with Israel, as long ago as 1979.

It is, as you pointed out rightly, Kieran a western... a friendly regime from a point of view of the west and the consequences of Egypt becoming unstable as it has, and in particular the risk of - this is a point Mr Netanyahu, the Israeli Prime Minister made over night - the consequences of what is happening in Egypt what happened two decades ago in Iran, where the overthrow of the Shah in that case, a long standing head of government, opened the door for fundamentalists to take over, would be a terrible prospect.

So these are very grave events.

GILBERT: More recently than that, Craig Emerson, you think about the events in the Gaza Strip in the occupied territories, Palestinian authority. Everyone was urging the Palestinians to have free and open elections. Hamas won the election...

EMERSON: It did.

GILBERT:

...and obviously the west and the United States weren't pleased with that. So we might see a similar result if the Muslim brotherhood wins any subsequent free election?

EMERSON:

Yeah. Well I think everyone would want a peaceful transition and it does look like there's a transition underway. So I think the first port of call is that if there is to be a transition that it be peaceful and obviously a lot of people are being mobilised in a people's movement.

Obviously we would urge that that be kept peaceful. We would hope that if there is to be a replacement regime, it is, obviously, a democratic one and one that supports the sorts of values that we support.

So beyond that I don't think it's helpful for the Trade Minister to speculate about these things. I actually note that Mr Netanyahu asked his ministers not to comment and I think that's probably wise advice, even here in Australia.

GILBERT:

Let's move on to some domestic politics. The flood levy and the flood response is dominating the political debate. The briefings continue today, Minister. The Greens are going to be the subject of those briefings from the Government today.

They're not going to be happy with the scrapping of some of those abatement programs, carbon abatement programs, are they?

EMERSON:

Well, that's a matter for the Greens. I wouldn't be thinking that they would be dancing in the streets about this but we are engaging in a fiscal consolidation.

There's a \$5.6 billion estimated bill associated with the recovery and reconstruction. That needs to be paid for and two-thirds of that expense is to be paid for by abandoning some programs and deferring some infrastructure.

GILBERT: And some programs that were duds as well. So you're not going to back down on that. You want to get rid of them, don't you?

EMERSON: Well, the decision has been made. They've been considered carefully by Julia Gillard and the Government and they have been made.

GILBERT: The independents want a longer term response, Senator Brandis. They want disaster relief fund and that sort of thing, so they're obviously going to have some demands of the Government and it seems the Prime Minister is open to that?

BRANDIS: Well look, that's a matter for the Prime Minister. I mean, it's all very well for Craig to suggest that the Greens are somehow at arm's length in this process. In fact, the Greens are the allies of the Gillard Government.

EMERSON: Do you think that's the reason they proposed the spending cuts?

BRANDIS: The reason - no, I don't - but the point I'm making, Craig, is that the reason the Gillard Government is in power is in part because there is a written compact between the Labor Party and the Greens. This is a Labor-Greens Government for all practical purposes.

And Senator Brown wields more power in this Government than any other minister apart from the Prime Minister.

GILBERT: He's obviously not happy about these cuts, though - is he? - with these carbon abatement and we will see as a result of these negotiations what price the Greens extract.

GILBERT: What do you think of Tony Abbott's handling of the flood response? Tony Windsor says that he's playing petty politics, that Tony Abbott is being opportunistic and trying to skateboard into Government off the back of a crisis.

BRANDIS: Well I think it's a shame that Mr Windsor has tried to politicise this

EMERSON: Oh, my goodness gracious, and Tony Abbott hasn't?

BRANDIS: Well, no he hasn't actually, Craig.

EMERSON: Oh, come on.

BRANDIS: Craig, I don't know if you...

EMERSON: Happy new year.

BRANDIS: I don't know if you saw your colleague, Wayne Swan, on *Lateline* last night but what Mr Swan said was that it is desirable there should be vigorous community discussion about the desirability of a flood levy.

Now that is what we are engaged in. That's what we will be doing next week here in Parliament House because we're the...

EMERSON: We don't mind vigorous discussion.

BRANDIS: ...we, the Opposition, have a different philosophical approach to this.

EMERSON: No, you don't.

BRANDIS: Articulated...

EMERSON: Six levies.

BRANDIS: ...articulated by Tony Abbott in recent weeks. His handling, I think, of this has been superb. Now the fact is that I don't think anybody in Australia seriously believes that if the Government wanted to find another \$1.8 billion in the budget it wouldn't be able to find it, if it tried.

It's made a number of cuts to the extent of about \$3.6 billion. It could have gone the extra mile rather than impose yet another new tax on the Australian people and it hasn't.

GILBERT: Mr Abbott did say, Senator Brandis, before I come back to the Trade Minister, I want to ask you about the comments that Tony Abbott said at the weekend. He said that Julia Gillard was wooden, unconvincing and indeed the flood crisis might see the independents change their support from the Government...

BRANDIS: This is the debate about the levy?

GILBERT: ...to the Coalition. He seemed to be stepping back from that yesterday; asked on 2GB radio by Ben Fordham about those comments, he seemed to be backing away from those. Where is he standing on this? Do you think he went too far and he's realised it?

BRANDIS: I didn't hear the interview with Mr Fordham on the radio but can I...the point I'd make to you is that we, this is a very unstable political situation, it's been an unstable political situation since...

EMERSON: You're hoping.

BRANDIS: ...since the election of the Government last August and it's the most commonplace thing in the world for any political leader to comment on the instability of the political situation.

GILBERT: Well, is that fair enough particularly when...?

EMERSON: Again, who is attacking...?

GILBERT: Tony Abbott has been saying that the Government should have made spending cuts before this and Julia Gillard has said, Minister, that if this cost blows out that she'll make more cuts.

So she's already said that there are cuts that could be made, why not make them now?

EMERSON: Because we have already announced a package that we think, based on estimates, will do the job. If more is required more will be done. I want to come back to George's...

BRANDIS: That's not an answer.

EMERSON: I wanted to come back to George's statement that there's a different philosophical approach to this. For Tony Abbott, there are two types of levies. There are Liberal levies that are good and there are Labor levies that are bad.

There's his levy for the Paid Parental Leave Scheme, which he persists with. The Coalition, when he was a Minister, sought to introduce six levies. So what's the philosophical difference here?

GILBERT: What do you think here? What do you think? Why wasn't, why weren't the cuts made now? You said, simply said that...

EMERSON: They are based on, they are based on the best estimates, preliminary though they are...

GILBERT: So what, because you can still make the \$1.8 billion from cuts as opposed to levy, can't you? Regardless of what the estimates are, you can make the 5.6 [billion], surely?

EMERSON: Well you can't - we will do what is necessary, but we believe that the levy was an important part in funding the \$5.6 billion.

BRANDIS: Why? When you can find the money elsewhere? It's because it's in the DNA of the Labor Party...

EMERSON: Oh come on...

BRANDIS:

...that their first response is to increase taxes. That's always your first response: to increase taxes rather than to cut back on wasteful government spending. And I see Ms Gillard was in here yesterday saying that people are going to get value for money out of this levy. If ever there was a government in Australian history which is completely foreign to the concept of value for money after the school halls...

EMERSON:

Take a breath George. Take a breath. Take a breath. We've introduced the levy as one-third of the cost of the estimated cost of the recovery. The Coalition is against the levy, it's in favour of its levies.

George says, 'oh Tony Abbott knows where all these savings can be made'. Now, Tony Abbott went to the last election with an \$11 billion black hole. An \$11 billion black hole including, including him saying that they would be able to raid the contingency reserve.

Now Peter Costello who knows more about this has said that the contingency reserve is not a rainy day fund. Tony Abbott knew that when Treasury and Finance briefed him. Yet that is immediately after the election. Immediately after the election they identified that black hole.

What does he do? What does he do when he's asked, 'well where would he get the money'? The contingency reserve! This guy, Tony Abbott, is an economic flake.

BRANDIS:

Craig, Craig.

EMERSON:

He is an economic embarrassment.

BRANDIS:

Yet he has two economics degrees.

EMERSON: He is a complete flake.

BRANDIS: He has two economics degrees.

EMERSON: Well I don't want to know the name of the university that said...

BRANDIS: ...the University of Sydney and the University of Oxford.

EMERSON: Oh, really? Two economics degrees? I'd like to have a look at George.

BRANDIS: I think you're being, I think you're being, I think you're being lost in the weeds here a bit Craig. The fact is that if the Government really wanted to, it could have found that \$1.8 billion out of savings rather than a neat, new tax, but it hasn't.

GILBERT: Are you worried though, as a Queenslander, that your side of politics is going to look petty when most people are getting behind the flood effort? And that Julia Gillard is saying that this is a responsible stand. It's a modest impost. That you're going to look like you're blocking what is a reasonable solution to this reconstruction.

BRANDIS: Kieran, a lot of the people who are being hit by this levy are people who have been volunteers; are people who have been victims; are people who have...

EMERSON: No, no, no. That is completely wrong. That is completely false.

BRANDIS: Some people whose businesses have been, have been damaged as a result of these floods will be paying this levy. So some people who are, who have been victims of the floods will be hit by it.

EMERSON: ...more than \$60,000 will pay a dollar a week.

BRANDIS: Volunteers. Volunteers. Volunteers.

EMERSON: Sixty thousand.

GILBERT: But what about that point? What about the businesses point? Because this is something Joe Hockey's been saying as well, that businesses who have, whose businesses have been damaged by the flood crisis will be hit by the levy. Is that true or not?

EMERSON: ...a progressive levy. There is no levy...

GILBERT: But why should the businesses that have been hit by the flood....?

EMERSON: ...\$50,000. It's \$1, \$1 a week for someone on \$50,000. If you're on \$250,000, yes it's more. It's a progressive levy and it's needed to make these to fund the reconstruction.

GILBERT: That does not repudiate the point that Senator Brown has made about businesses affected by the flood.

EMERSON: It depends on the taxable income. It depends on the taxable income.

GILBERT: But why should a business that has been just hit by floods have to fork out the levy?

EMERSON: If its taxable income is around \$250,000, that is as an individual, right, not as a company, but as an individual. And you're on more than \$250,000, yes, you do pay more.

GILBERT: So, so what he says is right?

BRANDIS: If it's a tax...

EMERSON: But if your taxable income, after all of the damage that is done to that business, is \$250,000...

GILBERT: Craig.

EMERSON: Well, you know, I mean I'm not saying they're doing great, but I'm saying it's progressive. If, after all the costs of deducting the costs of the damage that George is talking about - and everyone knows it's small businesses that have incurred [losses], if that brings their income down to around \$50,000 or \$80,000 or whatever, they are paying much less.

BRANDIS: Craig, you know Craig, I think that any businessman in South East Queensland whose business was damaged by these floods who is, is watching this program would be shaking their heads at the moment listening to all this gibberish from you.

The fact is this levy is hitting people who gave generous donations to the Premier's Relief Fund. It's hitting people whose businesses have been damaged by the floods. It's hitting the volunteers. It is an unnecessary levy as you've effectively admitted.

EMERSON: No I haven't admitted it at all.

BRANDIS: If the Government wanted to find the fat in the budget...

EMERSON: I haven't admitted that and we know and we know...

BRANDIS: ...it could have done so. But your first response is always to increase tax.

EMERSON: We know where, we know where Tony Abbott would get the money. He would get it out of abolishing trade training centres. He would get it out of abolishing GP super clinics. He would get it out of making sure that there were no further school building programs.

These are his pre-election commitments and that's what he would do. And, and if you look at the future of this country, we absolutely need the investment in skills in this country.

And what would Tony Abbott do? He has said it time and time again. He would abolish trade training centres to skill, to give the skill set our young people. That is a short-term response to what should be a long term investment in the future of young Australia.

GILBERT: Senator Brandis.

EMERSON: What Tony Abbott doesn't get, you do need skill to make the long-term investments.

GILBERT: Well let's get Senator Brandis' response to the other point that you made. I think it's a valid point that the Coalition has had its own fair share of levies.

EMERSON: Six.

GILBERT: So, so is it hypocritical then to then block this?

BRANDIS: I think, I think, no I don't. I don't think there is because there is a very profound difference between the circumstances in which, for example, the Ansett levy was imposed some years ago and the current circumstances.

And that is, the Howard Government famously had a reputation for being very, very careful with public money. There wasn't a lot of fat in the budget during the time of the Howard Government because we ran the economy carefully. We weren't spendthrift. We didn't waste money.

EMERSON: Here are the facts.

GILBERT: Let, let's just hear...

BRANDIS: May, I finish please Craig? The difference here, here is that you know, even on your own Government's assessment, you wasted more money on the Pink Batts Program than this levy will raise.

You are - the Rudd and Gillard Government - is infamous for wasting billions of dollars of public money. Of not giving the public, the taxpayer, value for money in government programs.

And what's your first reaction when there is, when there is a need to trim the budget? We won't bother trimming the budget, we'll put up, we will use this as an excuse to yet further increase taxes.

EMERSON: Righto. Here is the fact. The highest taxing government in Australia's history was the very government that George is defending.

BRANDIS: That's a bit dishonest, Craig.

EMERSON: It is absolutely the fact.

BRANDIS: That's a bit dishonest, Craig.

EMERSON: Taxation as a share of GDP was higher and at record levels in 2002, 2003, 2004, 2005, 2006, 2007. Under this Government, in each of the subsequent years since we've been elected, taxes, as a share of GDP, have been lower.

BRANDIS: Craig. Craig. Craig.

EMERSON: These are the world champion taxers and George is defending it.

BRANDIS: They don't...

EMERSON: He's got six levies that he says were fine.

BRANDIS: Craig.

EMERSON: Six levies were fine. A Labor levy, that's bad.

GILBERT: That's a good point.

BRANDIS: Craig. Very quickly, very quickly. That's an intellectually dishonest thing to say, Craig. You know the tax receipts were higher during the Howard

Government because the country was so prosperous and company tax went through the roof.

EMERSON: Yeah, yeah. Every year from 2002.

BRANDIS: In six, in six consecutive budgets the last Liberal Government cut tax. Right?

EMERSON: But they increased taxes as a share of GDP. Have a look at the budget. Have a look at the budget.

BRANDIS: Tax receipts increased because the country was so prosperous.

EMERSON: [Indistinct]

GILBERT: We're going to have pause gentlemen. We'll take a break.

EMERSON: [Indistinct]

BRANDIS: Every budget we cut tax.

GILBERT: A quick breath. Fiery beginning to the year. I love it. Let's take a break. We'll be right back. Stay with us.

[Unrelated item - advertisement break]

GILBERT: Welcome back to *AM Agenda*, with me Senator George Brandis and the Trade Minister, Craig Emerson.

Minister, can we look now at the resignation of the Prime Minister's chief of staff? Amanda Lampe has called it a day, she'll be replaced by Ben Hubbard.

EMERSON: Yep.

GILBERT: Now the official statement was personal circumstances; others are suggesting she might've been pushed, that people weren't happy with the way the Prime Minister's office has been operating.

EMERSON: Well, I reckon Amanda Lampe would know the reasons why she is calling it a day and they are family circumstances. A couple of twins have arrived and I'm very, very fond of Amanda and I wish her all the very best. That's the reason that Amanda is going and I think that's fair enough.

I also know...

GILBERT: Because there's concern in some circles about the, within Labor, about the way the Prime Minister's office has been working. There's some claims that it's been dysfunctional and so on.

EMERSON: Yeah, I've seen media reports but I've never heard anyone say that, you know amongst my colleagues. My relationships with the PM's office have been terrific, with Amanda in particular. She's ... there's a very good team in that office.

I will also add that I know Ben Hubbard very well. When, I think, Julia was Deputy PM, he was chief of staff and he's a very good guy, very organised, and I think he'll do a great job too.

GILBERT: So, we shouldn't read anything more into this than the fact that it's someone making the call.

EMERSON: Yeah, exactly.

GILBERT: Because I was told by one Labor figure that the chief of staff had just signed up a new lease a couple of months ago.

EMERSON: Well, I'm saying that Amanda is saying that her circumstances are that twins have arrived. I reckon that can be tested, they either have arrived or they haven't.

GILBERT: Sure, yeah. The one other thing I wanted to ask you is this Victorian chief of staff that's arriving; I've been told that Simon Crean is having a lot more influence in this government. Is that true?

EMERSON: Oh, I don't know. In the sense that...

GILBERT: Well, you know, Melbourne man, Melbourne chief of staff coming back, and...

EMERSON: We're all Australian, aren't we? I mean, are you saying because so-and-so's from that state then...

GILBERT: Well, yeah. Sometimes you do in politics, don't you?

EMERSON: I think it's not relevant as to the fact that both Simon and Ben Hubbard come from the state, for goodness sake. I think Simon's...

GILBERT: I was told that some New South Wales people would've preferred Amanda Lampe to stay where she is and she's not.

EMERSON: Well, whatever, Simon does have real influence in this government, as he should. He's a senior, a very experienced policy-maker and he's doing a really good job in regional development. But I wouldn't read anything into the fact that someone from Victoria has now been appointed chief of staff.

GILBERT: Okay.

EMERSON: I mean, we're - let's move on in terms of the parochialism of where a particular chief of staff or staff member comes from.

GILBERT: One last issue, this, Senator Brandis, as Shadow Attorney General, interesting story about an Australian citizen, James Sun, has spent five years in prison in China, this is in the *Sydney Morning Herald* today, accused of being a spy for Taiwan. That the Chinese government's done its bit for the repatriation of prisoners, the prisoner exchange, but the Australian government hasn't.

BRANDIS: Well, this is a matter of real concern. Mr Sun was sentenced in September of 2007. A prisoner exchange treaty was negotiated by the Howard Government, with the Chinese, at the very end of the time of the Howard Government, as I understand.

That requires enabling legislation. Now, I don't pretend to know exactly what the situation is, in relation to the Chinese steps that have been taken to give effect to the treaty, but I note that the report in the *Sydney Morning Herald* says that the Chinese government has carried out its side of the treaty. It's passed the laws within the Chinese system to enable that treaty to be given effect to.

No legislation has been presented to the Australian Parliament to enable the treaty from the Australian point of view, and I think the Attorney-General needs to explain why, after more than three years, nothing has been done to give effect to that treaty.

GILBERT: We're almost out of time, just in 20 seconds, if you can give the government response to that.

EMERSON: We will pursue the enabling legislation but I just wanted to add this qualification. Even with the treaty in place that doesn't automatically mean there will be a repatriation.

BRANDIS: No, you need enabling legislation which you haven't done anything about for three years.

EMERSON: No, I'm saying even in the existence...

GILBERT: So the government will pursue that?

EMERSON: Even with the existence of the enabling legislation, that doesn't then automatically mean that the prisoner will be...

GILBERT: Yeah, but the government will be pursuing that?

EMERSON: Yeah, I don't have a timetable for you. I'm not going to, you know, sit here on the program and spell out that timetable. But he is getting very, very regular consular assistance and support and visits.

GILBERT: Minister, appreciate your time, and Senator Brandis, great to see you both.

BRANDIS: Good to see you, Kieran.

EMERSON: Okay, thank you very much. See you next week.

GILBERT: That's all for this edition of *AM Agenda*.